

Message Text

UNCLASSIFIED

PAGE 01 STATE 009992

20

ORIGIN TRSE-00

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 RSC-01 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 SS-15 NSC-05 L-02 H-02

/076 R

66607

DRAFTED BY: TRSY:OS:MFIELD

APPROVED BY: EB/IFD/OMA:RRYAN

TRSY: OS:DAVID FOSTER

STATE/ARA:CEN:JOSEPH SULLIVAN

EB/IFD/OMA::MMINNIES

L/T: WMCQUADE

----- 043221

R 152227Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY SAN JOSE

UNCLAS STATE 009992

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: INFORMATION REQUESTS ON US-ISRAEL INCOME TAX
CONVENTION

REF: LANE/SULLIVAN CONVERSATION OF 1/6/75

1. THERE IS NO US-ISRAEL TREATY IN EFFECT. ON TWO OCCASIONS
(1960 AND 1965) SUCH A TREATY HAS BEEN SIGNED AND SUBMITTED
TO THE SENATE FOR APPROVAL BUT BOTH TREATIES CONTAINED AN IN-
VESTMENT INCENTIVE AND FAILED TO OBTAIN SENATE APPROVAL. THE
EARLIER VERSION CONTAINED A TAX-SPARING CLAUSE AND THE SECOND
VERSION CONTAINED A TAX CREDIT FOR US INVESTMENT IN ISRAEL
BASED ON THE US DOMESTIC INVESTMENT CREDIT. AS EXPLAINED EARLIER
THE SENATE HAS CONTINUED TO OPPOSE ANY INVESTMENT INCENTIVE
PROVISION IN US TAX TREATIES. LAST FALL PRELIMINARY DISCUSSIONS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 009992

WERE AGAIN HELD WITH ISRAEL TO CONSIDER NEGOTIATING A MORE

STANDARD TYPE OF INCOME TAX TREATY FREE OF THE INVESTMENT INCENTIVE ISSUE. THOSE DISCUSSIONS ARE EXPECTED TO CONTINUE BUT THERE IS NO AGREED TEXT AT PRESENT.

2. FOR THE INFORMATION OF THE GOCR WE ARE AIRPOUCHING A COPY OF THE US DRAFT OF AN INCOME TAX CONVENTION WHICH SERVES AS THE BASIS FOR OUR DISCUSSIONS WITH OTHER COUNTRIES. THE MODEL IS CONTINUALLY BEING REVISED INTERNALLY AS WELL AS BEING ADAPTED DURING EACH NEGOTIATION TO TAKE ACCOUNT OF THE OTHER COUNTRY'S TAX LAWS AND PRACTICES. NEVERTHELESS IT MAY BE OF INTEREST TO THE GOCR AS THE TYPE OF DRAFT WE WOULD SEND THEM IF DISCUSSIONS WERE SCHEDULED. (THIS IS THE DRAFT WE ARE TRYING TO ARRANGE TO HAVE TRANSLATED INTO SPANISH). KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, INCOME TAXES, TAX AGREEMENTS, POUCH SERVICES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE009992
Document Source: CORE
Document Unique ID: 00
Drafter: TRSY:OS:MFIELD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750016-0784
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750149/aaaabqrp.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 LANE/SULLIVAN CONVERSATION OF 1/6, 75 75
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2003 by SilvaL0>; APPROVED <07 JAN 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INFORMATION REQUESTS ON US-ISRAEL INCOME TAX CONVENTION
TAGS: EFIN, US, IS
To: SAN JOSE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006